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ABSTRACT

In its analysis of the impact of the proposed Presidential budget for fiscal year 1984 on the future well-being of black children and families, this report recommends that social programs assisting these families in harsh economic times be improved rather than reduced. Specifically, the social programs or service areas discussed include Child Welfare Services; Title XX Child Care; Head Start; Aid to Families With Dependent Children; Compensatory Education for Disadvantaged Children; Education for All Handicapped Children; Vocational Education; Maternal and Child Health Block Grant Services; Special Supplemental Food for Women, Infants, and Children; Commodity Supplemental Food Program, Medicaid; and Child Nutrition Programs. A general description of each program is provided along with a discussion of its legislative intent and history and an analysis of the proposal's potential effect on black children. It is argued that funding reductions, block grants, decreased federal regulations, and program eliminations threaten the well-being of low-income children and of black children in particular (due to their overrepresentation among the poor). Strategies for use by child advocates and other concerned individuals are provided to help protect those programs important to the development of black children. Persons responsible for particular program issues are listed. (BJD)

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BUDGET CUTS AND BLACK CHILDREN

A RESPONSE TO THE PRESIDENT'S BUDGET FOR FY 1984

PS013457

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INTRODUCTION

The threat to children in 1984 is grave as we enter the third round of the Reagan assault on programs in human services. For many Black children, it is of crisis proportion as we encounter an unprecedented attack on both the poor and the working poor Black family. Not since the Great Depression has the Black family been hit so hard. Soup lines, homelessness, and unheralded unemployment pervade our urban communities throughout America. In fact, many urban communities like Detroit and Flint, Michigan are in a "state of emergency." This circumstance requires stronger Federal support to Black families. Instead, we witness the destruction of programs such as Medicaid, Education, Child Welfare, AFDC, and Child Nutrition. These programs are the very backbone of 42 percent of Black children who live in poverty.

Even before the Reagan Administration advanced its harsh cutbacks in human service programs, our children were in trouble. On every front - health, education, and welfare - Black children faced barriers that threatened or made almost impossible their:

- access to equal educational opportunity
- access to quality health care
- access to basic nutrition
- access to family support programs like AFDC

To add insult to injury, Black children are now in the spiderweb "effort" to balance the budget and shrink federal spending. In reality, this "effort" has boiled down to cutting domestic programs that serve a disproportionate number of Black families while increasing the defense budget and even suggesting tax relief for

corporations. In fact, this supply side, trickle down economic theory has turned into a cruel hoax for millions of Black children and their families. Perhaps the most devastating of its results is unemployment which runs rampant among Black youth and adults. These families are being forced back into the ranks of poverty and have no choice but to rely on public assistance in order to eke out a day-to-day existence. Meanwhile, proposals introduced by this Administration make this support for poor Black families impossible. This is creating desperate and dangerous family situations nationwide which can only lead to more Black children going to bed hungry and neglected, more Black children being forced into foster care, and finally more Black children never attaining a decent chance for a quality life experience.

Simultaneously, this Administration continues to push and support policies that smack of injustice, inequality, and just plain indecency. Currently the Administration is endorsing legislation:

- Calling for a six month delay in the cost of living increases for Social Security recipients while allowing the wealthy to reap the rewards of President Reagan's general tax cut. (The reduction of 10 percent scheduled for July favors the wealthier taxpayer over low- and middle-income ones.)
- Calling for tuition tax credits for parents who send their children to private elementary and secondary schools.
- Calling for a federal spending freeze when in fact this translates into increased military spending and real cuts in non-defense domestic programs.
- Calling for decreases in human services which result in a direct attack on the workers, the elderly, and our Black children.

The National Black Child Development Institute, in the face of the proposed Fiscal Year 1984 (FY'84) cuts in federal programming, is making a call, "A Call for Action." We call not only on our affiliates in 32 major cities throughout the United States, but on all "caring people" to help us protect programs that have been necessary for our children and families who strive for a basic quality of life opportunity. This edition of Budget Cuts and Black Children has been developed to be used as a tool in your community to educate you, your friends and co-workers and to prepare them for action. We know that your participation and action can make a difference.

- This was proven last year as the President's veto of the Supplemental Appropriations Bill was overridden.
- This was proven in the mid-term election when there was a "changing of the guard" in many Congressional districts.
- This was proven last year as attempts to cut Social Security were repeatedly thwarted.

We must not only continue this effort, but it must be intensified if once again the President is both to hear and listen to our message: No more cuts in Children's Programs!

The Call For Action:

- Conduct budget information seminars and workshops at your local chapter meetings, and ask the leaders of other local chapters of national organizations, community groups, PTA's, etc. to place you on the agenda to speak at their next meeting.
- Encourage ministers in your local area to discuss the impact of budget cuts on services for Black children. It would be particularly effective and appropriate for your minister to discuss these concerns during National Black Child Development Week, May 15th through 21st.
- Encourage high school American Government, Civic, and Sociology teachers to facilitate classroom discussions on the community's critical areas of concern and the impact of the Administration's proposals on these areas.

- Develop your own state budget cut analysis using this document Budget Cuts and Black Children as a guide.
- Write editorials or a letter to the editor on critical issues of concern to you.
- Schedule television and radio interviews to educate your community on issues that represent your special interest(s).

In addition to the above, child advocates across the country are conducting the following activities:

- Meeting with Congressmen/women and Senators as well as state legislators to express their concern and offer information. You can provide your Congressional representative with a copy of Budget Cuts and Black Children.
- Inviting public officials (state legislators, school board members, city/county council members, Congressmen/women, Senators) to meet with their community at a public forum to discuss the impact of the budget cuts on their local area.
- Conducting letter writing campaigns as well as obtaining signatures on petitions.
- Testifying at state legislature, city council, and school board hearings.

The FY'84 proposed budget has serious implications for the future well-being of Black children and families. It is urgent that important social programs that help these families to survive in the harsh economic environment that we currently face are improved rather than reduced. We can determine our own destiny as a group by being informed, vocal, and above all active.

Evelyn K. Moore
Executive Director

"NEW FEDERALISM" REVISED

Background

In January 1982, the Reagan Administration announced a $50 billion federalism program that would have returned responsibility for a wide range of federal assistance programs back to state and local governments. The proposal called for a trust fund of federal revenue sources to fund the programs for a time-limited basis, after which, states and local governments would decide whether or not to continue funding domestic social programs. The proposal was met with a great deal of skepticism and concern from, among others, the National Governors' Association and the United States Conference of Mayors.

The 1982 Federalism Initiative called for the federal government to assume full financial responsibility for Medicaid services to the poor, while the states would assume full responsibility for food stamps and Aid to Families with Dependent Children. States would also have been given complete administrative authority over some 40 discretionary and categorical grant programs. State and local government officials resisted the initiative because it was generally agreed that income security programs are a responsibility of the federal government. Specifically, state administrators were concerned about the revenues available to fund the social programs, while local government officials were concerned about adequate transfer of funds from the states to city and county governments.

New Federalism Act of 1983

A revised version of President Reagan's New Federalism plan will soon be sent to Congress. The new plan contains a number of

political compromises, including the deletion of a federal takeover of Medicaid costs in exchange for states picking up the costs for welfare. The language of the legislation also encourages states to pass directly to local governments funds for traditional local aid programs. The major intent of the legislation is:

- to withdraw federal involvement in social programs and transfer the responsibility to states, and
- to transform a major share of the federal grant system into a revenue sharing program.

Revenue sharing is a process by which the federal government distributes monies to counties, cities, and towns to use for a multitude of goods and services. In revenue sharing however, local officials maintain almost complete control over how the money is spent.

Under the new federalism initiative, 27 programs would be consolidated into four block grants, with an annual budget of $20.7 billion. The four block grants include:

- a state block grant that would combine a number of educational, social services, health, and community development progams;
- a local block grant that would merge the general revenue sharing program with the entitlement portion of the community development block grant;
- a ground transportation block grant that would consolidate several transportation programs; and
- a rural housing block grant to states for low-income housing construction and repair.

Between 1984 and 1988, state and local governments would gradually assume responsibility for services associated with separate grant programs in the state, local, and transportation block grants. States and localities would determine the pace at which they assume full funding responsibility. Funding for the programs would be set at the sum of 1984 enacted levels for the consolidated programs.

Analysis

The revised Federalism Initiative would represent the abdication of responsibility by the federal government to protect the rights of its citizenry, especially children, to services and community experiences basic to human development. The rights of Black children and their caretakers to secure certain social services and participate in community programs have come only through long tortuous battles, oftentimes requiring national legislation designed specifically to protect the rights of the poor and Blacks. As the need in the Black community for external family support systems grows along with unemployment rates in the Black community, we must continue to demand a strong federal presence in protecting the rights of children and their caretakers to basic human development programs and services necessary for their survival.

In addition to giving local officials complete control over how money is spent, the Federalism Initiative would cost the states money. Spending would be kept to $20.7 billion in federal aid programs which does not take inflation into account over the five-year transfer period. Also, spending would be locked in at the level of the fiscal 1984 budget which may mean a loss of revenue for social programs and services.

CHILD WELFARE SERVICES

The child welfare system has traditionally been unresponsive and insensitive to the needs of Black children. While Black children and youth under 19 constitute 14 percent of the youth population, they comprise 33 percent of the 300,000 children receiving out-of-home care.

The number of Black children whose parental rights have been terminated and who are waiting permanent placement ranges from 30,000 to 50,000. Although Black children comprise a disproportionately large number of children who are in foster care and are available for adoption, in any given year, a Black child has a 50 percent less chance of being adopted than a white child.

Not only must we concern ourselves with the need to move these children out of the foster care system and reunite them with their families when appropriate, or secure other permanent placement, we must be concerned that a comprehensive child welfare services program with sufficient funding is in place. Researchers have documented the relationship between extended placements in foster care settings and the onset of emotional and physical health problems for children. It is therefore essential that appropriate services are available for children in the foster care system to address these problems.

Background

There are four primary program categories contained under the umbrella of the federal child welfare programs. The four programs, all authorized by Title IV of the Social Security Act, are: Child Welfare Services and Child Welfare Training, both authorized by

Title IV-B; Aid to Families with Dependent Children (AFDC) Foster Care; and the Adoption Assistance Program, both authorized by Title IV-E of the Social Security Act.

Under Title IV-B, states receive federal matching funds for the provision of child welfare services to children and their families, regardless of income. States receive their share of monies available based on the population of the state under 18 and per capita income. Although the federal share is 75 percent, states usually spend much more than their required 25 percent match. The majority of Child Welfare Services funds is expended on foster care maintenance, family counseling and rehabilitation, adoption services and child protection services are funded by this program. Child welfare services are also funded under the social services block grant authorized by Title XX of the Social Security Act.

The Foster Care Program, authorized by Title IV-E of the Social Security Act, provides matching funds to states for maintenance payments for AFDC-eligible children in foster care. A state's federal share of funds is determined by the state's Medicaid matching rate. The foster care program is an entitlement program although the Adoption Assistance Act of 1980 [Public Law (P.L.) 96-272] imposed a temporary state-by-state ceiling on federal foster care spending for fiscal years 1981-84, if Title IV-B appropriations exceed a specified amount.

The newest of the four programs, the Adoption Assistance Program, was established by P.L. 96-272. This program was designed to provide federal matching funds, at the state's Medicaid matching rate, for subsidizing families who adopt an AFDC-eligible child with "special needs." A child with special needs is defined as a child

having specific characteristics such as ethnic or racial background, age, mental or physical handicap, or membership in a sibling group, which may impede placement in an adopting home. The law, P.L. 96-272, also provided a number of protections for a child and his/her family designed to prevent family dissolution and promote family reunification.

The Child Welfare Training Program is a 100 percent federally funded program. It provides funds to educational institutions, primarily schools of social work, for student assistance and curriculum development in the area of child welfare. This program also provides technical assistance through regional training centers and in-service training programs to assist states in interpreting, implementing, and administering federal child welfare programs.

Current Program Status

In 1979, the last year for which aggregate data was available from the Department of Health and Human Services, over 2 billion children were identified in a national caseload survey as being in receipt of social services through public welfare and social service agencies. Of that 2 billion plus, over 300,000 children were in out-of-home care, 33 percent of whom were Black. This is an especially disturbing fact as no other group by race was placed out of the home with such frequency. Consultation with child welfare professionals in the field suggests that these figures have increased, not declined.

Case after case of child abuse and other forms of domestic violence result in the placement of children in out-of-home care facilities. We have learned from the providers of child welfare

services in the field that growing numbers of families are requesting a placement for their children in foster care settings. However, this is not surprising when over 12 million people are unemployed, 20 percent of whom are Black, and the crippling effects of inflation and a sick national economy devastate millions.

This bleak economic picture has stressed and strained the Black community. However, at a time when social services are sorely needed, budget cuts and block grants threaten the future of social services, including child welfare services.

Last year in the FY'83 budget, the Administration proposed to consolidate the four federal child welfare-related programs, cut their total FY'82 funding by 18 percent, and distribute these funds to states for child welfare services and training. The FY'83 funding level for these programs under the continuing resolution, P.L. 97-377, is $572.6 million.

Table 1 -- FY'83 Funding Levels of Federal Child Welfare Programs*

Program	FY'82 Funding Level (000's)	FY'83 Funding Level (000's)
Child Welfare Services...	$156,300	$156,326
Child Welfare Training	$3,800	$3,823
AFDC Foster Care	$300,000	$395,000
Adoption Assistance	$5,000	$5,000
	$465,100	$560,149

* These figures do not reflect expenditures for the Adoption Opportunities Program or Child Welfare Research, which represent an additional $12 million each fiscal year in expenditures.

1984 Budget Proposal

The Administration is recommending a budget authority of $601.5 million in 1984. Specific recommendations as to how the various programs are to be funded read as follows:

Foster Care. This sum of $440.2 million will be utilized for maintenance assistance for children who must be placed outside the home. Legislation will be proposed to limit the entitlement status of this program.

Adoption Assistance. An amount of $5 million is suggested to provide subsidies for families adopting children with special needs.

Child Welfare Services and Training. Legislation will be proposed to repeal the separate authority for training grants and permit states to include training in their service programs. A level of $156.3 million is requested.

Analysis

In the FY'84 budget request for Child Welfare Services, President Reagan has proposed a budget authority of $601.5 million. This represents an increase of $41 million dollars above the budget authority for FY'83. However, after factoring for inflation, this represents only a 1 percent increase in real dollars. Despite the net gain in budget authority, there is the potential for a net loss of purchasable services for children and their families as we assess other proposals contained in this budget request.

The biggest increase in this program comes under the AFDC Foster Care Program, Title IV-B. The budget authority in FY'83 was $395 million and the request for FY'84 is $440 million which is a $45 million increase. This is ironic since this Administration has chosen to increase expenditures for foster care and delay implementing the Adoption Assistance Program, P.L. 96-272, which

would facilitate the removal of children from foster care and place them in permanent homes, as well as provide programs of prevention and family reunification.

We must concern ourselves with this step backward that the Administration is forging on the child welfare system. Policies which serve to entrap our children in a foster care system must be eradicated. When over 30 percent of the children in out-of-home placement are Black, any initiatives which do not result in the permanent placement of Black children in families must be resisted.

The Administration will propose legislation to repeal the separate authority for training grants and permit states to include training in their service programs. A funding level of $156.3 million is requested for the combined Child Welfare Service and Training Program. This represents a real loss of $3.82 million which was authorized for child welfare training in 1983.

What this will mean to the states:

- While states provide the largest share of monies used for child welfare services, the federal share has in some states meant the availability of services which might otherwise be severely limited, to say the least. As all states are now dealing with the increased need for services as more children are being brought into the child welfare system due to voluntary placements and increased incidences of child abuse and neglect, the lack of needed growth in the Child Welfare Services Program will be critical to program development and expansion.
- States would have to choose between the allocation of funds for social services or the development and expansion of training opportunities for child welfare professionals.

What this will mean for Black children:

- As the disproportionate numbers of Black children receiving out-of-home services increase, the need

for quality services designed to reunite children with their families when possible, prevent family dissolution, and provide the support necessary to cope with out-of-home placements increases. However, this need cannot adequately be addressed with a loss of revenue and purchasing power.

- If states must choose between funding training or services, Black children will suffer regardless of the outcome of that decision. Training monies have traditionally been used by schools of social work and agencies for the in-service training of child welfare professionals. Black professionals have benefitted from these training monies, and yet, the child welfare profession has a dearth of trained Black child welfare specialists. According to statistics from the National Child Welfare Training Center, 1982, while 30 to 40 percent of the child welfare caseload is Black, 80 to 83 percent of all child welfare personnel are white; only 9 percent of state officials are Black and 12 percent of the local administrators and supervisors are Black. The insensitive and inconsistent policies of the child welfare system are reflective of the lack of a strong Black presence among policy-makers.

In order to increase the capacity of human service personnel to manage child welfare programs efficiently and effectively, and to ensure that optimum care and services are provided for the children entrapped in the foster care system, special attention must be given to strengthening the Child Welfare Services and Training Programs. Additionally, it will be essential to continue to advocate for implementation of the Adoption Assistance Program.

TITLE XX

Title XX of the Social Security Act, currently funded under the Social Services Block Grant, enables states and local jurisdictions to provide a number of social services including child care, homemaker, mental health, and child welfare services. However, in the Black community, one of the more critical uses of Title XX monies has been to make child care services available to poor and working poor families whose employment status, education, or job training might otherwise be jeopardized.

Child care is an economic support system for married and single mothers. This is especially true in the Black community where 67 percent of married, working mothers, with children under 5, depend on out-of-home child care services. Among Black female-headed households in which no adult male is present, approximately 60 percent of working mothers depend on out-of-home child care for their pre-school children.

The use of Title XX monies for child care services in the Black community is essential when one considers the fact that more than 2/3 of all women work at low-paying, dead-end jobs and that 41 percent of all Black families were maintained by women in 1982. However, despite these facts, Title XX monies have enabled numerous Black families to remain economically independent by providing necessary child care support. Black children comprise 44 percent of all children enrolled in nonprofit child care center programs which receive federal subsidies. Single-parent families and low-income families constitute a high proportion of the families using center-based care.

Suffice it to say, the Title XX Social Services Program has resulted in a variety of services becoming available to the Black community. Critical among these much needed services is child care, which is an essential economic support to Black families.

Background

The concept of social welfare is based on the notion that society has some responsibility for the plight of its members. Public funds are therefore used to aid people who have lost or are losing their ability to be self-sufficient. It was in this context that the Social Security Act of 1935 was written. It was however, the Social Security Amendments of 1962 which sought to reorient the program from a basic cash transfer program to one in which the main focus would be on rehabilitation and prevention of vulnerability for those threatened with financial instability. Emphasis was placed upon providing social services designed to prevent or reduce dependency, and maintain and strengthen family life.

Federal matching for social services (including day care) provided under the Social Security Act was mandatory and open-ended until FY'73. In 1972, a cap was established which limited federal funding for social services programs to $2.5 billion for FY'73 and subsequent years. Concern over the expanding growth in federal social services spending, and disputes over federal program regulations which would have restricted the number of people eligible for social services, resulted in the enactment of Title XX of the Social Security Act, P.L. 93-647. Title XX of the Social Security Act consolidated and replaced the authorizations for services to welfare recipients previously found in Titles IV and VI of the Act.

States received a 75 percent matching rate for services provided. The $2.5 billion cap on funding was retained. Temporary legislation was enacted providing an additional $200 million earmarked specifically for day care in 1977, 1978, and 1979. Also in 1979, the Title XX authorization ceiling was raised to $2.9 billion.

Current Program Status

Two years ago, Congress enacted The Omnibus Budget Reconciliation Act of 1981 which created a new social services block grant to replace the prior federal-state matching program. Technically the program is referred to as an "appropriated entitlement" which means funding levels can be reduced and contained. Under the legislation, each state is eligible to receive its share (based on population) of a national total of $2.45 billion in FY'83, $2.5 billion in FY'84, $2.6 billion in FY'85, and $2.7 billion in FY'86 and years thereafter. Current funding under the continuing resolution for FY'83 is $2.4 billion.

The new block grant legislation leaves states with the broad discretion to decide which services they wish to provide with their Title XX funds. It also eliminates other protections previously imposed which include:

- State match requirement (25 percent),
- A 50 percent target of funds for welfare and other low-income families,
- Incentives for day care and family planning services, and
- State accountability for federal funds expended through the submission of a comprehensive annual state service plan.

In the past, about 21 percent of federal, state, and local dollars spent under the Title XX program were used for day care. The average number of children who received Title XX day care during each quarter of FY'79, the last year for which data is available, was approximately 590,000. Forty percent of these children were Black. In 1981, about $715 million in Title XX funds was spent for day care.

The removal of the protections formerly associated with the Title XX program, deep funding cuts, and the elimination of the day care funding earmark exist at a time when more than 40 percent of all Black children are poor. Indeed, services designed to promote economic self-sufficiency and social independence are needed now more than ever before.

These factors, not to mention the ever-growing population of the unemployed, the inflation index which remains unstable, and the overall troubled economy, signal the need for a more responsive and responsible effort by the federal government to address the concerns, both economic and social, of its citizenry.

1984 Budget Proposal

The budget authority recommended for FY'84 is $2.5 billion. This represents a $50 million increase from the budget authority in FY'83.

Analysis

Since 1981, the Title XX funding level has been cut by some 9 percent, after factoring for inflation. The $2.5 billion budget authority figure proposed for FY'84 represents a $50 million increase over the FY'83 budget authority figure. However, in terms of actual

purchasing power, to maintain the program at the current funding level, when indexed for inflation, would require an additional $11 million dollars.*

In addition to the actual loss of authorized Title XX funds proposed in the FY'84 budget, states will lose purchasing power from Title XX for the traditional social service programs, specifically child care, because of the following:

- The Community Services Block Grant is slated for no budget authority which would result in a loss of $348 million to states. States are, however, encouraged to use Title XX monies to fund Community Service Block Grant Programs.
- The WIN Program is targeted for total elimination, to be replaced with an AFDC mandatory work experience program. With the loss of WIN, states will have less money earmarked for support services for AFDC mothers who seek employment. Once again, states are instructed to use Title XX monies to fund "work-related" activity for AFDC recipients.

The net result may be the total elimination of Title XX sponsored child care by some states. Since the enactment of the Title XX Social Services Block Grant, over 100,000 child care slots were lost when the child care earmark of $200 million was removed from Title XX. This loss occurred at a time when 8 million pre-school children have working mothers and over 2 million are in formal child care settings. With the loss of the Community Services Block Grant, states will be hard-pressed to stretch already depleted Title XX funds for poverty programs supported by various minority groups, labor unions, and religious organizations at odds because of the loss of benefits for low- and moderate-income families.

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* Inflation adjustments were done using the Office of Management and Budget projection of the income in the Consumer Price Index (CPI) for FY'84 over FY'83 (4.4 percent).

As the pie is continuously and systematically reduced in size, more and more deserving consumers are being told to grab their share. The impact on children will be devastating.

HEAD START

A comprehensive program of social, educational, health, and nutritional services to poor children and their families, Head Start is a manifestation of the need to approach child development from a global perspective. By looking at Head Start, one can also see the special significance that such a program can have for Black children.

In FY'83, 395,000 children aged 3 to 5 received the comprehensive services made available by Head Start; almost half of them were Black. The families of these Black children benefit from recognition of the linkage between poverty, low educational achievement, poor nutrition and inadequate health care. Through Head Start many Black parents, for the first time, have been encouraged to become involved in the education of their children. Since the family has the primary obligation to children during their development, the informed involvement of parents is critical. Studies have documented the positive effects of Head Start on Black children, their parents, and the community.

These studies have reported that without Head Start there are millions of children who would not have received nutritious meals, vaccinations, dental and medical care or preschool services. The Perry Preschool Project, a longitudinal study of low-income children, confirms the sustained effects of educational gains made during this period. They have calculated that only medical school has a higher return on the dollar invested. Head Start is cost effective. Poor Black children are entitled to the benefits to be derived from its continued growth.

Background

The "War on Poverty" included Head Start in its attack on low educational achievement, poor nutrition, and inadequate health care. Through Title II-A of the Economic Opportunity Act of 1964, the U.S. Congress authorized grants to communities to address these problems and to provide a "head start" to children ages 3 through 5 whose economic circumstances placed them at a disadvantage when they started school. Basically the goal was to improve the chances of these children to move out of the mean grasp of poverty.

The first project initiated by the Office of Economic Opportunity was a summer program to provide educational, medical, nutritional, and social services to poor children who would be entering school in the fall of 1965. Programs were required to "serve a low-income population and provide social services to poor children about to enter school." They also had to include provisions for a high level of parent and community involvement. It was not until the Economic Opportunity Amendments of 1966 that Head Start was included by name in the legislation. These amendments mandated that the Office of Economic Opportunity conduct Head Start programs through community action programs. Gradually, through additional amendments to the act, the level of local government oversight was increased and the law reflected an interest on the part of Congress to reduce conflict between local government and the community action groups running the programs. The allotment formula was refined in an effort to assure each state a more fair share of appropriations. In an effort to sustain the positive effects of Head Start, the Follow Through Act was passed to extend services provided through

Head Start to the same students as they move into kindergarten and primary grades.

Eventually, additional amendments required that not less than 10 percent of the slots available for Head Start be assigned to handicapped children and that provisions be made for their special needs within each state. A 10 percent ceiling was also allowed for families just over the income requirement. In 1974, Head Start was officially transferred to the Office of Child Development of the Department of Health, Education and Welfare, now the Department of Health and Human Services (DHHS). Amendments to the Economic Opportunity Act of 1978 included language requiring that all programs conform to, if not exceed, the Head Start Performance Standards published in 1975. An evaluation of a project's effectiveness in implementing these standards was to be a determinant in the decision as to whether to renew or supplement appropriations.

By FY'81, Head Start had provided its array of services to 378,500 3- to 5-year-old low-income children.

Current Status

Head Start was reauthorized through FY'84 by the Head Start Act of 1981 (Title VI, Subchapter 8-B of the Omnibus Budget Reconciliation Act of 1981). Head Start officials report that the number of programs is now approaching 1400. They are sponsored by local public, private or nonprofit agencies which meet specified requirements. While the funds are distributed directly to the sponsoring agency, they are allocated by a formula which was simplified in the 1981 legislation. The formula allots to each state the amount it received in FY'81 and distributes most of the remaining appropriation

among AFDC recipients, Indian and migrant programs, the territories for training and technical assistance, and discretionary payments to be made by the Secretary of DHHS.

The most controversial issues related to Head Start during the 97th Congress were the proposals introduced by the Administration included in the "Head Start Strategy Paper" as well as proposed cuts and consolidations in programs supportive of Head Start.

Believing that the curtailments described for the program itself in this strategy paper would cause Head Start to self-destruct, NBCDI, along with other child advocates, bombarded the Secretary with critical comments. As a result, in April of 1982, former Secretary Schweiker issued a press release in which he reaffirmed the positive effects of participation in Head Start.
He announced that:

1. Summer programs would not be eliminated, but merged or expanded into year-long programs.

2. Parent and Child Centers which assist parents, infants and toddlers would be continued.

3. Case-by-case analyses would be made of high-cost programs to assist in improving management efficiency for purposes of releasing funds in order to serve more children.

4. A non-government organization, independent of federal support, would be fostered to assess and credential graduates of child development training programs currently being received at universities, colleges, and community colleges.

The other threat, which was not as successfully thwarted, was that created by changes in or eliminations of programs and services providing support for Head Start projects: CETA, Community Services Administration, Title XX, child nutrition programs, and Medicaid.

1984 Budget Proposal

The Administration proposed a funding level of $1.05 billion to serve approximately 424,900 children. Included in the request is money for Head Start nutrition programs which are currently funded through the Child Care Food Program (CCFP) by the Department of Agriculture. The FY'83 estimated reimbursable amount from CCFP is $76 million. This is the amount proposed for FY'84.

Analysis

Head Start has been widely documented and accepted as an effective program. The President has been vocal about his concern for the program and his desire to protect the children who benefit from its coordinated services.

Unfortunately, Head Start is not as safe as one might suspect at first glance. In FY'82 and FY'83, the funding level remained the same even in light of an extraordinarily growing rate of inflation. The costs of food, office and classroom supplies, equipment, and transportation all have risen dramatically. Consequently, a "freeze" which makes no adjustment for inflation and re-establishes a previous year's level of funding while increasing the number of children to be served is a reduction not a freeze.

By moving money around within the project grant, a larger dollar amount is made available to local Head Start Projects. This is done at the expense of allocations for Evaluation, Research and Demonstration, Training and Technical Assistance, and Special Handicapped Projects. Reductions in these areas threaten the ability of projects to comply with Head Start Performance Standards and to maintain the quality which has been the hallmark of Head Start's success.

The FY'84 proposal to include the $76 million estimated to have been received by Head Start in FY'83 reimbursements has at least two obvious flaws. A review of the funding history shows a gradual increase in reimbursement since 1979. Allocating the same dollar amounts for FY'84 as for FY'83 does not accommodate increased costs of food services, nor does it acknowledge that the projects are expected to serve an additional 30,000 children in FY'84.

Additionally, while it is commendable that administrative duties may be reduced by eliminating the need for Head Start to apply to the Department of Agriculture for money for nutrition programs, no explanation is provided as to how children can be added to the food programs once the flat dollar amount has been included in the Head Start budget.

Another major problem not addressed is the need to counter changes in other programs which have provided support services to Head Start children and their families. Head Start officials agree that there certainly will be an impact, but indicate that they will not be prepared until early summer to analyze and announce their findings. What is known is that changes mandated by the Omnibus Budget Reconciliation Act of 1981 in child nutrition programs alone caused a $20 million loss to Head Start in FY'82.

The 1981 legislation also gave states the option of discontinuing the Early Periodic Screening Diagnosis and Treatment (EPSDT) services to medically needy children, approximately 173,000 of whom are Head Start children. Thirty-four states have participated in this Early Periodic Screening Diagnosis and Treatment program. As of December 1982, the State of Washington had opted to discontinue the service, eliminating 1,000 Head Start children from screening

and treatment for dental, vision, hearing and other health problems. As more states exercise this option, Head Start will be required to spread its "frozen" budget further, threatening program quality and effectiveness.

The lack of provision for increasing staff salaries is also a serious problem. The morale of already underpaid staff is dwindling, chances of employing top flight persons are diminished, stability and continuity are threatened, all of which result in shortchanging children in need.

One must bear in mind that the President's FY'84 proposals for the Office of Human Development Services which administers Head Start represent a reduction in budget authority of approximately $32 million. To "save" Head Start at the expense of other human development services programs is a questionable tactic.

Head Start must have the continued focus of child advocates and especially Black parents. This coordinated support system at such a critical stage in a child's development is a model which Black child advocates, parents and others who care must strive to replicate in order to ensure that Black children will become productive citizens.

COSTS OF SERVING HEAD START CHILDREN		
Year	Total	Funding
1965	561,000	$96.4 million
1966	733,000	198.9 million
1967	681,000	349.2 million
1968	694,000	316.2 million
1969	635,000	333.9 million
1970	435,000	325.7 million
1971	420,000	360.1 million
1972	379,000	376.3 million
1973	379,000	400.8 million
1974	379,000	392.2 million
1975	349,000	441.0 million
1976	349,000	454.5 million
1977	322,000	472.9 million
1978	391,400	622.6 million
1979	387,500	680.8 million
1980	376,300	736.3 million
1981	378,500	814.2 million
1982	390,000	912.0 million
1983(est.)	400,000	912.0 million
1984	424,900	1,050.6 billion*

Sources: DHEW Budget Office (1965-1977) and Head Start Budget Documents (1978-1984).

* Includes $76 million for child nutrition programs

AID TO FAMILIES WITH DEPENDENT CHILDREN

All families of all races experienced a loss of real income between 1973 and 1978. The net result has been that the lowered incomes of Black families, and specifically Black female-headed families, place many at or below the poverty level. To meet the minimal developmental needs of Black children and their caretakers, the Aid to Families with Dependent Children (AFDC) program has provided an external economic support system for Black families. Without a viable alternative, the public welfare system must be maintained for the poor and indigent people of this country.

The number of Black families with multiple earners is decreasing according to the Bureau of the Census. During the 1970s, the number of poor families headed by Black single women increased from 740,000 to 1.2 million. Among these female-headed families, 59 percent have children under age 18. Also in the 1970s, Black families with no adult wage earner increased by 50 percent.

Over 3.5 million families receive AFDC, while 500,000 recipients are children. In 1979, the last year for which data is available, 44 percent of families receiving AFDC were Black. We can only surmise that as the jobless rate in the Black community continues to rise and women in the labor force are concentrated in traditional, low paying dead-end jobs, more families in the Black community will be forced into public economic support programs.

Background

AFDC was established by Title IV of the Social Security Act of 1935 as a cash assistance program to assist states in caring for poor children and their caretakers. Until recently, states

had unlimited discretion in establishing eligibility and benefit levels. The federal government pays a percentage (50 percent) of each state's benefit level. Due to the entitlement status of the AFDC program, that is, the payment of benefits is mandatory when eligiblity requirements of the law are met, it is difficult to formulate accurate cost projections for the program. However, in FY'82 benefits were approximately $8.79 billion while cost projections for FY'83 are expected to exceed that amount.

In 1967, Congress enacted the Work Incentive (WIN) program which requires adult, able-bodied AFDC recipients, who are not caring for young children, to register for employment and training. At the same time, Congress enacted an "earnings disregard" to encourage recipients to go to work. AFDC recipients who had earnings could have the following amounts disregarded in determining their benefits:

- The first $30.00 of monthly earnings,
- One-third of additional earnings and,
- The costs of all work related expenses including child care. There was no limit on the amount which could be deducted for child care although some states established limits based on average child care costs.

In 1981, Congress enacted legislation advanced by the Reagan Administration which was aimed at reducing budget outlays in AFDC. The new AFDC philosophy of the Reagan Administration was embodied in the Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35). The thrust of the Act was to reduce or end benefits for families with earnings, for families with a stepparent in the home or with lump sum income, and for students beyond the age of 18.

The AFDC provisions actually fall into four groups:

- Treatment of recipients earnings
- Use of other potential income and resources
- Categorical limits on eligibilty
- Work-related rules

Omnibus Reconciliation Act of 1981 required states to count as available to the AFDC family income that could have been previously disregarded. Further, it authorized states to treat food stamps as income under specified conditions. All of these changes significantly affected Black families receiving AFDC benefits because contrary to a popular stereotype, a large percentage of Black families who receive AFDC benefits are wage earners.

Current Program Status

The Administration's FY'83 budget proposed to take a step further the AFDC philosophy advanced by the Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35). In response to the budget resolution for FY'83, which called for deficit reduction measures, the House and Senate proposed different changes in the AFDC program. The Senate Finance Committee's AFDC recommendations, which were assumed in the budget resolution, were contained in the Tax Equity and Fiscal Responsibility Act of 1982, (H.R. 4961), P.L. 97-248.

The major provisions of P.L. 97-248, designed to reduce budget outlays in FY'83 by $85 million, include the following:

- Round-off eligibility and benefit amounts
- Prorate first month benefits
- Eliminate uniformed service as the basis for AFDC eligibility
- Provide optional job search provisions

- Enable states to prorate shelter and utility costs when recipients live with other persons
- Reduce error rate match
- Exclude certain state payments

Despite efforts by the Administration and Congress to reduce benefit levels and limit eligibility for primary economic support systems, the need for such support systems to address the concerns of poor and low-income families and their children is growing.

The economic survival of these children and their caretakers is threatened by these facts: more than half (50 percent) of the total number of poor families are maintained by women; families with female heads experience poverty six times that of male-headed families; 50 percent of all children can expect to live in one-parent homes for a significant part of their lives.

1984 Budget Proposal

The Administration has proposed changes in the AFDC program that will reduce the budget authority in FY'84 by $.7 billion. To reduce total expenditures by $.7 billion in AFDC, which includes the Child Support Enforcement (CSE), the following changes are proposed:

- Require all "employable" applicants and recipients of AFDC to work as a condition of AFDC eligibility.
- Prorate the allowance for shelter and utilities when determining eligibility and making payments with respect to a household that includes non-recipients.
- Include income of all parents and minor children (except those receiving Supplemental Security Income) living with the dependent child when calculating eligibility of and benefits for a family.
- Exclude needs of an employable caretaker or relative with no dependent child under age 16 when calculating eligibility of and benefits for a family.

- Reward states with exemplary Child Support Enforcement (CSE) programs; states are to utilize mandatory wage assignments and liens against property and estates when child support payments are delinquent.

Analysis

The Administration's budget proposes savings of $750 million in budget authority and outlays in FY'84, as well as an additional savings of $2.75 billion in FY'85 to FY'86. The proposals designed to reduce AFDC program costs build upon provisions enacted by Congress in the Omnibus Budget Reconciliation Act of 1981, and the Tax Equity and Fiscal Responsibility Act of 1982.

The provisions called for to reduce expenditures in the AFDC program would result in cuts equal to those requested last year and would become more severe each year through 1986. To achieve these reductions, policies which would prove to be very stressful to families and would promote family dissolution are put forth. An assessment of these policies reflects the following:

- Mandate workfare for all recipients

  Program reductions proposed and enacted for the AFDC program in prior years removed many of the financial incentives for recipients to work their way off welfare. The Administration's recommendations continue the policy reorientation of the past by mandating participation in a workfare program in order to receive benefits.

  The Department of Health and Human Services has interpreted this proposal such that states will be permitted to require parents, or other caretakers, of children 3 to 6 years old to register for work programs if child care is available. There is of course no consideration given to the type or quality of care which would be available. If the WIN program is not reauthorized, and if states continue their current trend of using the child care disregard (which limits funds for child care to $160 per month) to fund child care services, families will be forced to use less expensive forms of child care such as in-home care

and family day care. It would not be possible to monitor and evaluate the safety and health provisions of such care arrangements since most states do not require licensing or registration for these forms of care.

This will also impact the market of child care center programs which are a more expensive form of child care. Black children represent 44 percent of the enrollment in nonprofit child care centers receiving federal support.

- Include all related adults and children in the AFDC assistance unit, except SSI recipients.

  A very dangerous assumption is made about the distribution and availability of resources coming into the family unit. It should not be assumed that each family member in the AFDC assistance grant has at his/her disposal and use monies available to other family members not included in the assistance grant.

- Prorate shelter and utility costs in shared households

  This provision penalizes extended-family networks and multiple-family residences. It is unfair to impose a disproportionate financial burden on non-public assistance household members to assume the costs of ever escalating shelter and utility expenditures.

- Terminate parents benefits when the youngest child reaches age 16

  There are two erroneous assumptions implicit in this proposal. First, it is assumed the parent(s) of the child can secure meaningful employment. In the Black community where unemployment (20.8 percent) exceeds the percentage of Blacks in the total population, it is reckless, at best, to develop policies around the presumption of changes in employment status. Secondly, since age 16 is the age at which middle-America's teenagers look for part-time employment, it is assumed that youngsters working at this age can make financial contributions to the family unit. The implications of such a policy are injudicious when considering Black teenagers beset with 50 percent unemployment.

The Reagan Administration has systemically cut away at funding for social programs under the guise of attempting to reduce the federal budget deficit. Some of the most severe cuts have been

those made in the AFDC program. Over 600,000 families have had their benefits terminated or reduced, a fact of particular concern in the Black community since 44 percent of the families receiving AFDC are Black. This Administration has to recognize that it cannot impose spending cuts in social programs, like AFDC, of the size needed to reduce significantly the deficit without crippling basic human service programs and depredating poor families.

EDUCATION OVERVIEW

True to his campaign promises, early in his administration, President Reagan moved to dismantle the Department of Education. Included in his FY'83 budget was a plan creating a Foundation of Education Assistance to administer some education programs and assigning others to existing administrative agencies. Fortunately, the Members of Congress were not responsive to this massive plan.

However, they did approve legislation moving in the direction of the President's goal: The Education Consolidation and Improvement Act in the Omnibus Budget Reconciliation Act of 1981. The new law incorporated Title I compensatory education programs as Chapter 1 and consolidated a number of other educational programs into Chapter 2. Among these programs is Follow Through, slated to expire at the end of FY'83.

1984 Budget Proposal

The President has proposed a $13.5 billion budget for education in FY'84, down from the $14.5 billion of FY'83. The President's revised New Federalism proposal includes a state block grant which would combine certain education, social service and community development programs. He stands firm in his desire to dismantle the Department. In his recent announcement of the proposed FY'84 budget, the President has indicated that legislation will be forthcoming which includes the following:

- a voucher system to state and local educational agencies allowing parents to select the schools in which their children will receive compensatory education services,
- financial assistance to states to train individuals to teach Science and Mathematics,

- tuition tax credits for parents who choose to send their children to independent or parochial schools,
- revised student aid plans for postsecondary education, and
- tax incentives to those who arrange savings plans to defray college costs

Immediately one is struck by the reality that the majority of attention and support will be given to those youngsters who reach high school and college. Black students are not appropriately represented in that category, and current policies are not designed to increase their number.

Analysis

In its efforts to "simplify programs, reduce unnecessary intrusions in local affairs, and reduce the excessive growth in spending," the administration is running roughshod over educational services which have been proven effective. With deliberate speed, it is blocking the traditional route by which Black families have moved out of poverty and away from second-class citizenship. The expectation of equal educational opportunity and access to quality education has been a source of hope and inspiration to Black families. That hope and inspiration dwindle as policies are designed to assist the upper- and middle-class children and relegate poor Black children to financially drained school systems. They are forced into overcrowded city schools where modern technology is limited to non-existent, and desperation and hopelessness envelope them.

Black children must not be sacrificed for administrative convenience. Education must continue to be a significant focus for federal involvement - an involvement symbolized by its position as a cabinet level agency.

COMPENSATORY EDUCATION FOR DISADVANTAGED CHILDREN: Chapter 1 Education Consolidation and Improvement Act

Studies consistently report the sustained positive effects of compensatory education programs for children. In school year 1980-1981, more than five million children received these services; 34 percent of them were Black. This figure is almost double that of the 19 percent of Black children found in the total public school population in the United States.

The benefits gained by Black children who participate in Title I are indicated in their improved test scores and their maintaining achievement gains over the summer when their non-Title I peers demonstrate achievement losses. Title I students also benefit from a higher level of instructional resources than their non-participating peers and by the active involvement of their parents.

All of these gains which have accrued to Black children and their families have been made possible, to a great extent, by the targeted nature of compensatory education programs and by federal leadership in monitoring, administrative, and accountability requirements.

Background

Title I of the Elementary and Secondary Education Act (ESEA) was a major program of federal assistance to elementary and secondary schools for supplementary compensatory services to educationally disadvantaged children. It was enacted in 1965 as a part of President Johnson's "War on Poverty." With the passage of the Omnibus Reconciliation Act of 1981, it became Chapter 1 of the

Education Consolidation and Improvement Act (ECIA) and reiterated its purpose of implementing a United States policy to "provide financial assistance to state and local educational agencies to meet the special needs of educationally deprived children."

Funds have been distributed on the basis of the number of school children from low-income families. The allocation process reflects the assumptions that:

- there is a significant correlation between poverty and educational disadvantage and
- the disadvantaged children most in need are those attending schools serving low-income children.

Initially, the law provided for three types of grants: basic grants for local districts, Concentration Grants and Incentive Grants. The basic grants were to supplement the additional costs incurred in providing compensatory education to eligible low-income children. The Concentration and Incentive Grants were attempts to target services to areas where significant numbers of low-income children lived and to encourage states to establish their own programs, respectively. The Concentration Grant was not funded in FY'83 and the Incentive Grant has never been funded.

Current Status

The amended legislation, Chapter 1 of the Education and Consolidation Act, contains provisions designed to implement the President's policies aimed at reducing spending and decreasing federal control of funds sent to states. While it retains mandates to aid the "most needy," to supplement (not supplant) existing funds, and to extend services to private school students, it withdraws many explicit requirements for administering the programs. For instance,

parent advocacy councils, a critical mechanism for maximum parent involvement, are allowed but not mandated; services only to children determined "most educationally needy" are permitted but not mandated.

As the 97th Congress addressed budget and regulatory issues, the Members demonstrated a sensitivity to the educational needs of children in several ways:

1. By overriding the President's veto of a supplemental appropriations bill, they restored $148 million to Chapter 1.

2. In P.L. 97-377, the continuing budget resolution for FY'83, they appropriated $3.2 billion for Chapter 1, $1.3 million more than the Administration had proposed.

3. They also vetoed the first set of regulations for Chapter 1 which would have eliminated some federal controls and exempted Chapter 1 from the oversight of existing legislation.

1984 Budget Proposal

The President has proposed an appropriation of $3.01 billion for compensatory education. Legislation will be introduced which will allow state and local educational agencies an option to provide these same programs through a voucher system; a rescission for FY'83 of $133 million is requested. No funds are proposed for Concentration and Incentive Grants.

Analysis

While it is early to assess fully the impact of current administrative cutbacks, there are certain realities which should be acknowledged.

- Assessments are consistent in revealing that the quality of education received by many Black children is questionable and that access to equal educational opportunity is still elusive for them.

- Manifestations of bias and discrimination are found at all levels of education. They are found in figures revealing that test scores of Black children still indicate lower achievement levels than of other students. The existence of segregated schools, despite Brown v. Board of Education, continues to spawn lawsuits. Black students are consistently placed in lower-skilled vocational education classes. Proportionately more white students than Black students graduate from high school. The schools with the largest number of children in poverty have substantially fewer microcomputers than schools with fewer children in poverty.

- Demographic trends indicate that the minority pupil increase in urban public schools will continue. Cities are already strapped for funding and struggling to maintain and improve the quality of education provided to their children.

- Appropriations to local districts for Title I during the period 1970-1982 increased by 98 percent; the constant dollar appropriation decreased about 25 percent. Actual appropriations in FY'82 were $2.41 billion while "adjusted" appropriations were $917 million.*

- Chapter 1 is still not funded at its FY'82 authorized level of $3.48 billion.

It is clear that no consideration has been given to the above issues and to their implications for Chapter 1 in its recognized efforts to close the gap between the educational progress of Black children and their peers. Current policies ignore the need to make significant expansions within the programs. In school year 1979-1980, 77 percent of public school children receiving Title I services were in grades 1 through 6, 8 percent in grades 7 through 12 and 7 percent in pre-school. Washington, D.C. Title I officials report, for instance, that there is a recognized need at grades 4, 5 and 6 for heightened compensatory education. However, they are hard pressed to continue to provide quality services at the primary level and expand them at the intermediate level. This is very

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*Department of Education - using 1970 as the base year

likely to be a problem faced by many Chapter 1 administrators and faculty.

Current policies do not address the fact that Chapter 1 is still not reaching all the children who need its services and will sustain further reductions given current administrative policies. Recent studies report that 42 percent of the students scoring poorly on standardized tests do not receive Chapter 1 services even if they attend schools which provide them. Among the causes, of course, are funding levels too low to serve all those children who need the services or to provide adequately for Title I programs at all levels.

Current policies do not reflect the fact that many children are "dropped" when they perform at grade level in order to make room for others. While these "graduated" Chapter 1 achievers maintain their gains in Reading, they are unable to sustain them in Mathematics. If these children are not provided needed programs at appropriate levels, where will our Black children be when computers come to the classroom and legislation improving Math and Science programs in high school is enacted? These are questions to be answered and shortcomings within the program which must be addressed if Chapter 1 is to continue to function effectively and if the existing gap between the achievement of Black children and their peers is to close not merely narrow.

The program was conceived in response to a national policy designed to erase inequities which relegate so many Black families to poverty. Its success has been widely documented and publicized. That success should not be reversed by initiatives which recreate the conditions the law was designed to eliminate. Black parents

and child advocates must take a leadership role in addressing this current retrenchment as it pertains to Chapter 1.

Education of Disadvantaged Children (Chapter 1)[1]

Year:	Appropriation:[2] in millions
1966	$959
1967	$1,053
1968	$1,191
1969	$1,123
1970	$1,339
1971	$1,500
1972	$1,597
1973	$1,810
1974	$1,720
1975[3]	$3,776
1976	$2,050
1977	$2,285
1978	$2,735
1979	$3,228
1980	$3,215
1981	$3,014
1982	$2,886
1983	$3,174
1984	$3,014

[1]"Financial Assistance to Meet Special Educational Needs of Disadvantaged Children," Chapter 1 of the Education Consolidation and Improvement Act of 1981 (ECIA), was implemented on July 1, 1982.

[2]The appropriation levels reflected in these columns pertain to the entire Title I Program, including grants to LEAs (Part A programs), Concentration Grants, Special Incentive Grants, and state administered (Part B) programs, viz. the Migrant Education Program, the Program for Neglected and Delinquent Children and the Program for Handicapped Children.

[3]Commencing in 1976, the program became advance-funded from the prior year's appropriation bill. This resulted in a doubling-up of funding in 1975.

EDUCATION OF ALL HANDICAPPED CHILDREN ACT: P.L. 94-142

Applauded as the Bill of Rights for handicapped children, The Education of All Handicapped Children Act (P.L. 94-142) was the Congressional response to issues raised in courts where allegations of violations of the rights of handicapped children were litigated. It was also a reflection of sensitive, prolonged advocacy by organizations and individuals who decried the treatment of handicapped children in educational systems throughout the country. Federal funds are now available to defray excess costs incurred in providing educational services to handicapped children.

In general, the purpose of P.L. 94-142 is to assist states in the initiating, improving and expanding of educational and related services for handicapped children at the preschool, elementary, and secondary levels. Currently, four million children are participating in state and local special education programs that qualify for federal assistance.

In its report to Congress, the Department of Education noted several indications of success in locating the eight million children estimated to need Special Education:

- a gradual rise in the number of children receiving special education services,
- a 13 percent rate of growth in the numbers of youth 18 through 21 who are being served,
- provision of services, to a great extent, in regular education buildings,

- increased numbers of children screened, and identified for special education and related services,
- significant increase in number of teachers trained to identify children for formal assessment.

Obviously, then, federal assistance has changed the lives of many handicapped children, approximately 625,000 of whom are Black.

Background

Public Law 94-142 was enacted on November 29, 1975 and actually represents a series of amendments to the Education of the Handicapped Act, P.L. 91-230, Title VI, which passed in April 1970. The initial law contained seven parts. Part B, which was entitled Assistance to States for Education of Handicapped Children, was gradually amended until finally mandating that a "free appropriate public education" be available to all handicapped children ages 3 through 21.

It should be noted, however, that P.L. 94-142 is one of two federal programs providing financial assistance for educating handicapped children. The other is P.L. 89-313, an amendment to Title I of the Elementary and Secondary Education Act enacted in 1966. It provides grants for special education of handicapped children who are in state-operated or state-supported schools and for those formerly in such schools who have been transferred to special education programs in local public schools.

Current Status

Consistent with his initiatives to reduce spending by a variety of strategies including block grants and regulatory reform, the President's FY'83 budget proposal included the block granting of P.L. 94-142 and P.L. 98-313.

The new block grant was to be funded at a level below that of the original total for the two. Rehabilitation Services and Handicapped Research were to be subjected to a similar consolidation and budget reduction. This drive was rejected by the Congress.

New regulations for P.L. 94-142 proposed by Secretary Bell as part of the process were subjected to a dramatic rebuff by the Members of Congress and a vociferous public outcry. The Secretary, in response to "intense interest and concern," announced on September 29, 1982 the withdrawal of the August 4th proposals in six areas: (1) parental consent prior to evaluation or initial placement, (2) the least restrictive environment, (3) related services, (4) timelines, (5) attendance of evaluation personnel at Individualized Education Program (IEP) meetings, and (6) qualifications of personnel. All of these areas, at the core of effective special education, need increased federal funding, leadership, and direction as opposed to less.

1984 Budget Proposal

The President has proposed financing basic grants to states at $998 million and preschool incentive programs at $23 million. The administration estimates that 228,000 handicapped children aged 3 through 5 will receive services during school year 1984-1985. Each child will be subsidized by approximately $110.00 in federal funds.

Analysis

The $998 million proposed for Special Education State Grants is misleading in terms of its being reported as a 3 percent increase. That increase does not:

- accommodate an estimated rate of inflation ranging from 4.6 to 7.6 percent,*
- acknowledge a reduction in funding for Early Childhood Education,
- offset total reductions in Special Purpose Funds of $28.2 million,
- adjust for an appropriation for FY'83 of $962 million which was below the authorized level, and
- acknowledge the reduction in funding for preschool incentive grants and resulting reduction in the number of preschool children served. In school year 1980-1981, 238,000 children were served at a cost of $300.00 per child. In FY'84 the administration proposes to serve 228,000 at a federal contribution of $110.00 per child. Where has the incentive gone?

All of these factors will impede the ability of federal, state and local officials to implement the law in such a way that relevant services are directed to those who need them and that adequate numbers of trained providers are available to deliver them.

Finally, of grave concern to NBCDI is the matter of the Office of Civil Rights findings that Black children are over-represented in special education programs, and once there, most likely to be assigned to Educable Mentally Retarded classes. In fact they constitute 40 percent of all such students. This disproportionate

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* Using Consumer Price Index estimates for 1984
Office of Management and Budget - 4.6 percent
Congressional Budget Office - 6.9 percent
Chase Econometrics - 7.6 percent

representation suggests that Black children are being misclassified. The cumulative effects of misclassification - stigma, lowered teacher expectation, lowered self-esteem, and miseducation - are disastrous. While inadequate assessment techniques and attitudinal biases may contribute to this mislabelling and subsequent "mis- or non-education" of Black children, it must be noted that institutional racism provides a nurturing arena. Nowhere in the Administration's FY'84 proposals is there any policy statement directed to this issue.

In order to address the plight of Black children who have been misclassified and to meet the needs of those children yet to be identified as needing special education, federal policies must be promulgated which reflect an awareness and sensitivity to the existing conditions. Reduced funding, withdrawal of federal leadership, and relaxed mandates for states and localities can only contribute to the faulty implementation of the law. Rather than cutting down spending, the policies reflected in these budget proposals will increase the need for welfare, Supplemental Security Income, Medicaid and other financial assistance to people who could have become at least functional.

It is clear that the same obstacles to the provision of equal educational opportunity which exist generally in any efforts to provide quality education for all children exist in the provision of educational services to children with special needs, since the law does not operate in a vacuum. Obviously, attention must be given to a program with such potential for good so that its positive purposes, may be effectively and efficiently implemented.

A variety of strategies is implied as increased numbers of children are identified and assessed for special education purposes and states and localities make earnest efforts to implement P.L. 94-142.

1. Advocates and government officials must collaborate on an unequivocal statement of the role that racism plays in special education.

2. There must be leadership from the federal government and funds available for developing appropriate assessment techniques, training teachers, conducting relevant research and monitoring programs.

3. States and localities must work together, not engage in struggles to control the disbursement of dollars.

4. The common goal must be to serve children with special educational needs not merely to increase numbers of children identified.

The bottom line is that the law has succeeded in creating a mechanism for educating handicapped children. School districts and states are making efforts to correct inadequacies in special education programs and must be supported by the federal government, not undermined.

Black children's access to equal educational opportunity is seriously at risk here. Their ability to become productive, independent citizens is endangered.

YEAR	EDUCATION OF ALL HANDICAPPED CHILDREN PART B - FUNDING
1967	$ 2,500,000
1968	15,000,000
1969	29,250,000
1970	29,190,000
1971	34,000,000
1972	37,500,000
1973	50,000,000
1974	47,500,000
1975	200,000,000[1]
1976	200,000,000[1]
1977	315,000,000[2]
1978	566,030,073[3]
1979	804,000,000
1980	874,500,000
1981	874,500,000
1982	931,008,000
1983	962,428,000
1984	998,180,000

1 Includes $90 million in a second supplemental appropriation bill.

2 $63,230,073 of this amount was carried over into the next fiscal year.

3 Includes $37,800,000 supplemental and $63,230,073 carried forward from FY'77 appropriation.

VOCATIONAL EDUCATION

The primary justification for vocational education's role in the secondary and post-secondary curricula is that it improves the pool of human resource skills and the economic health of the community by preparing people for initial entry level and/or skilled employment.

Approximately 19.5 million students were enrolled in vocational education in 1978-1979 with two-thirds of that enrollment being at the secondary level and one-third at the post-secondary level. Of that total, 7.7 million students at both levels were enrolled in occupationally specific programs, that is, programs at or above the 11th grade which purport to provide entry level job skills for a specific occupation. A much higher proportion of post-secondary enrollments (92.3 percent) than of secondary enrollments (55.4 percent) are considered occupationally specific.

A 1979 Office of Civil Rights (OCR) Survey reports Black enrollment in vocational schools as:

18.4 percent in comprehensive high schools,

11.3 percent in post-secondary institutions, and

10.3 percent in area vocational centers.

Some Blacks, Hispanics and women have successfully improved their economic position and earnings because of vocational education. Many members of minority groups have been able to enter primary jobs associated with good wages through vocational training. Blacks, however, have been disproportionately represented in certain occupational education programs. In 1979, white enrollment in occupational education comprised 67 percent of the total. Blacks

were overrepresented in home economic, business office occupations, and trade and industry. Both Hispanics and Blacks were underrepresented in agri-business, marketing, and technical occupations.

In other words, Blacks have been less likely to be found in vocational education programs for which there is high labor market demand and better financial reward. Indeed, they are largely found clustered in the lower-paying vocational trades. With respect to adult education, males are less apt to participate in vocational education than females; about 55 percent of adult vocational enrollments were women. Both Black and Hispanic adults are underrepresented in these educational programs.

Background

In general, education delivered by public institutions at all levels is in deep, deep trouble. The decline in the quality of public vocational education is especially detrimental in an era where certain types of jobs are disappearing, and the competition for those that remain is increasingly based upon the mastery of technical skills. Furthermore, many of the newer entrants are, and will continue to be, solely dependent on these beleaguered public educational institutions to acquire and develop their marketable skills. If these institutions fail to meet this challenge, a valuable human resource - manpower - will be wasted.

Vocational Education as a sub-system, whether in public or private schools, or at secondary or post-secondary institutions, has recently undergone a period of long overdue self-examination. This reassessment began with the discussions which preceded the

reauthorization legislation in 1953 and 1968, and was finally crystalized in the Vocational Education of 1976.

The Vocational Education amendments of 1976 gave priority to distributing funds to economically depressed areas and areas with new or emerging manpower needs. Planning requirements were strengthened. Special funding for the disadvantaged and limited English speaking students was provided. States were required to evaluate the effectiveness of each funded program within five years. Today, the debate has been put on hold by the Reagan Administration's move towards federalism generally and attempts to eliminate federal presence in vocational education specifically.

Current Status

In 1981, the progress was stopped by the Reagan Administration's move towards "new federalism." The FY'83 budget proposal was a harbinger of the Reagan Administration's hope to phase out federal participation in vocational education. However, attempts to totally eliminate a federal presence in vocational education were thwarted as Congress appropriated $816.5 million for Vocational and Adult Education in FY'83.

1984 Budget Proposal

In FY'84, the Reagan request would reduce the federal contribution to adult and vocational education from $816 million to $493 million requested - a reduction of more than $300 million. At best, this request must be seen as only transitional funding, moving towards zero funding in 1988 when it is expected that federalism would be in full force. And while the Administration's legislative package for the revised new federalism is yet to be

sent forward, we can assume that a block grant proposal will be recommended to eliminate those elements of the 1976 amendments which have proven to be critical elements in the quest for vocational education equity for women and minorities:

- mandated equitable citizen participation in program planning through local and state advisory councils,
- providing a sex equity coordinator in each state, and
- targeted set-asides for the economically disadvantaged.

Analysis

Minorities and women will make up an increasingly larger percentage of school enrollments, and the work force. It has been projected that:

- The minority population, will increase from 18.6 percent in 1977 to 22.1 percent in 1995.
- Minorities are expected to increase to 30 percent of the labor force by late 1980s.
- The participation rate for females in the labor force today is about 50 percent, and is expected to be over 55 percent by 1990, and nearly 58 percent by 1995.

These figures indicate that there will be a greater demand in the 1980s and 1990s for high quality, up-to-date vocational training for all segments of the population, with greater participation than ever before by minorities and women.

There is a real need and a role for Vocational Education in Black economic development, but it can be maintained only if the Black community decides to throw down the gauntlet, to be aggressive, to give direction, and to provide leadership. In the coming decades of economic recovery and economic growth, as in times of high defense production, skill and training will be the cutting edge in determining employability, not race or sex. The Black

community needs to be more assertive about the damage caused by the Reagan budget cuts in vocational education. We need to be in the forefront of a new dialogue and strategy.

Some advocacy strategies include:

- using federal dollars as an incentive to attract state dollars,
- earmarking federal funds exclusively for equity considerations,
- forming Vocational Education Teachers/Business Community advisory councils for the development of career information programs at the middle school level,
- taking a leadership role in defining more coherently employability skills and reform the secondary school curriculum accordingly, and
- taking a leadership role in a national dialogue about which type of delivery is best for which types of students in which types of settings and for which vocational areas.

Given the dependence of economic development on the quality and quantity of our human capital, equity and quality in vocational education must be achieved. The concept of equity must permeate all facets of the vocational education system and not be limited to administration or staffing.

The vocational education legislation is important to the Black community. While it is not expected that vocational education be the panacea for longstanding racial and social injustice, it does have the potential to produce a skilled labor force which is the first step toward insuring market justice for minorities and women.

MATERNAL AND CHILD HEALTH BLOCK GRANT

The delivery of adequate and appropriate maternal and child health services is crucial to the Black community. The fact that a significant number of Black women deliver less healthy babies than white is clear; Black communities have higher rates of low birth weight babies, malnutrition, and infant mortality. Black babies are therefore at higher risk for health complications as they move from infancy to childhood and to adolescence.

Not only do Black children need the maternal and child health services, but adolescent mothers, many of whom are Black, need them as well. Twelve percent of Black women under age 20 who gave birth in 1980 received no prenatal care or received prenatal care only in the third trimester of their pregnancies. The babies of these women are at high risk for infant conditions associated with poor health of the delivering mother, including poor nutrition, anemia, low birth weight and even mortality.

The incidence of anemia in childhood is consistently higher for Blacks than for whites. For Blacks in the 6- to 11-year-old range, both boys and girls have anemia almost 5 times more frequently than whites. Thirty percent of Black boys from 12 to 14, and 29 percent of Black girls age 12 to 14, have anemia compared with rates of 7.9 percent for white boys and 5 percent for white girls in the same age range. The figures for the 15- to 17-year-old age range are most startling. Twenty five percent of Black boys, compared to 1.9 percent of white boys, are anemic. For girls age 15 to 17, 33 percent of Blacks are anemic compared with 6 percent of whites.

Background

The Title V Maternal and Child Health Block Grant was created with the enactment of P.L. 97-35, the Omnibus Reconciliation Act of 1981, and is intended to perform functions previously carried out by eight federal programs which, prior to FY'83, received funds separately: hemophilia treatment, adolescent health services, genetic diseases, lead-based paint poisoning prevention, sudden infant death syndrome, rehabilitation for disabled children entitled to Supplemental Security Income, Title V Maternal and Child Health Services, and Crippled Children's Services. These public health services have been crucial to Black communities which have been and continue to be tormented by poor prenatal care, high infant mortality rates, lead-based poisoning, and high rates of adolescent motherhood.

Rather than providing funds to local agencies for the operation of these programs, as was the case previously, the federal government is now making payments to the states which have the authority to make decisions about which programs will be operated, by whom, and at what funding level. The states are only required to assure that mothers and children, particulary those with low incomes or limited access to health care, will have access to these maternal and child health services.

These separate programs received $455 million in appropriations during FY'81; during FY'82, the Maternal and Child Health Block Grant - purportedly their replacement - was allocated only $348 million, a reduction in funding of 24 percent. Currently, the maximum allowable allocation for the grant is $373 million, which it received in FY'83. Nevertheless, this "full funding" represents

a level significantly lower than the total which these programs were permitted to receive separately, prior to their being placed in a block grant.

Current Status

It is difficult to assess the impact of the placement of these programs in a block grant. With total funding dropping by 24 percent in the first year of the grant's existence, and only a slight increase over that in its second, however, cuts in services were inevitable. One informal survey revealed that in 1982, 47 states altered eligibility standards to cut the number of program participants, and cut services as well to accommodate decreases in funding.

1984 Budget Proposal

No legislative changes have been proposed for the MCH Block Grant in FY'84, and the Administration has requested that the Congress allocate $373 million to this grant.

Analysis

The Maternal and Child Health Block Grant has been slated to receive the same level of funding during FY'84 as it received for FY'83. This represents a decrease in real spending power in the program, which most likely will result in eliminations or reductions in services. Furthermore, the proposed allocation represents only 81 percent of what these services received when they were still categorical programs during FY'81.

It is clear that as more and more people are hit by economic hardship - unemployment, loss of welfare benefits and housing, for

example - these and other public health services will be more and more widely used. Optimally, the funding ceiling of $373 million, which is set in the authorizing legislation, should be increased, allowing for the allocation of additional monies. The long-term cost in health and lives will otherwise be overwhelming.

WOMEN, INFANTS AND CHILDREN/ COMMODITY SUPPLEMENTAL FOOD PROGRAM

The federal program for Women, Infants and Children (WIC) has been instrumental in maintaining the health of 2.25 million low-income pregnant or nursing women and their children. Many Black women and their children desperately need these services. In 1980, between 12 and 13 percent of Black infants were classified as low birth weight babies. Low birth weight is generally considered a marker for some dysfunction in an infant. It occurs frequently in children born of mothers who have had poor prenatal care, inadequate diets, drank or smoke during their pregnancies, or generally had a history of poor health.

Many children who are diagnosed as retarded, learning disabled, autistic, or behaviorally dysfunctional were also classified as low birth weight babies. And because the rate of low birth weights in the Black population is double that of the white, Black children are much more at risk than white to be handicapped emotionally, intellectually or psychologically.

The Black population also has a high incidence of infant mortality; before they turn one year old, 22 Black children per 1000 are the victims of disease, accidents or illness. The rate for whites is 11 per 1000 births. In part, the poor health of Black infants can be linked to the poor health care their mothers receive; 12 percent of Black women under age 20 who gave birth in 1980 received no prenatal care, or prenatal care only in the third trimester of their pregnancies. WIC and the Community Supplemental Food Program (CSFP) are therefore essential to the health of

millions of Black mothers and to the long-term health - psychological and physical - of their children.

Background

The WIC program provides 2.25 million low-income pregnant or nursing women and their children (up to age 5) with a voucher to be used for the purchase of essential high protein foods and formulas. For high risk mothers (those with histories of high blood pressure, anemia or miscarriages) and their children, it offers nutrition education and health services. Study after study has cited this program as a primary reason for the improvement of the health of many Black women and their children in recent years.

CSFP preceded the WIC program and presently operates along side of or in place of WIC. CSFP distribution projects are frequently established in communities in which the use of vouchers is considered objectionable, or at least where receipt of a complete food package is preferable to purchasing food oneself. CSFP provides federally purchased commodities to states which in turn distribute them through local agencies to 134,000 low-income pregnant and nursing women and their children. Commodities provided during FY'82 included milk, formula, canned vegetables, fruits, poultry, juice, and powdered egg mix. Statistics from the Department of Agriculture reveal that 69 percent of CSFP participants in 1981 were Black; clearly this program is vital to the health of many Black mothers and children.

Current Status

Despite the Administration's repeated attempts to curtail drastically spending in these programs, WIC and CSFP have enjoyed

the strong support of the Congress. The President's budget submitted last year included a proposal to merge WIC and CSFP functions with the Maternal and Child Health Block Grant in a new "Services for Women, Infants and Children Block Grant" and to fund these programs at $1 billion for FY'83. Fortunately, the Congress never formally considered this proposal.

Instead, the Congress funded the WIC program at $1.060 billion, and allocated $32.6 million to CSFP. This is a total of almost $1.1 billion, and represents a steady increase in the funding level for these two programs at least since the inception of the Reagan Administration.

1984 Proposed Budget

No legislative changes have been requested in the President's budget for WIC and CSFP. The request for funding for these two programs is just under $1.1 billion, the same which they were allocated during the present fiscal year.

Analysis

The funding requests made by the President for WIC and CSFP are inadequate. An aggregate spending level of $1.9 billion, which represents a freeze of the FY'83 funding level for the two programs, does not attempt to keep pace with the inflation rate. The result of this freeze would be the erosion of purchasing power.

WIC is not an entitlement program, in which anyone meeting a set eligibility standard can claim benefits. Unlike many other welfare and food programs, WIC is considered a discretionary program and is allocated a specific funding amount. It must serve as many low-income persons as it can within the set allocation. Some

estimate that as many as 9 million people may qualify for WIC benefits based on their low-income status. However, because the law does not mandate that all who qualify must receive benefits, they do not all participate in WIC.

The WIC program is authorized to receive up to $1.13 billion in funding for FY'84. Funding the program at this maximum would not be sufficient to aid the many women and children who need WIC services. Nonetheless, it certainly would be preferable to fund the program at the highest level permissible under the law. Taking proper care of children at this early stage of their development is vital to their continued growth. Implementing these preventive measures now will be less costly than caring for these mothers and children later on. In fact, one study found that for each dollar invested in the WIC program there is a savings of three dollars in post-natal health care costs alone.

WIC and CSFP Funding
(in millions of dollars)

	WIC	CSFP	Total
FY'81	927.0	27.5	954.5
FY'82	954.3*	29.8	984.1
FY'83	1,060.0	32.6	1,092.6
FY'84	1,060.0	32.6	1,092.6

* $50 million of unspent WIC funds from FY'81 were carried over and included in the FY'82 budget.

MEDICAID

Medicaid automatically provides medical coverage to AFDC recipients, and in some states, to low-income persons who are not eligible for AFDC but who cannot afford health care. Forty seven percent of Medicaid recipients are Black; 11 million of its 22.5 million participants are children. Medicaid is vital to the health of Black children, 42 percent of whom are poor and have historically suffered from poor nutrition and health care.

Aside from historical and economic considerations, Black children from low-income families are reliant on the Medicaid system because their caretakers are. Blacks are generally more vulnerable to economic troubles and tend to hold jobs which are less "recession-proof" than those held by whites. Black families are therefore likely to require medical insurance from a source other than an employer, such as Medicaid, during times of economic stress. Twenty three percent of "new entrants" into the unemployed work force are Black; twenty one percent of "re-entrants"* into the unemployed ranks are Black; seventeen percent of those who lose their jobs are Black. The Black children who suffer because their parents and guardians are unemployed or in poverty need the comprehensive care provided by Medicaid.

Background

Since 1965, most states have provided health care for their needy populations through the Medicaid program, Title XIX of the

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* Re-entrants are those who previously were members of the work force but dropped out - frequently to attend school or have children - and have returned to the work force, but are unemployed.

Social Security Act, by reimbursing clinics, private physicians, hospitals and others for costs incurred in delivering services. Although this medical insurance program is state-administered, the federal government finances anywhere between 50 and 78 percent of each state's Medicaid costs. The formula for reimbursement is based on a given state's per capita income: the higher the per capita income, the lower the rate of reimbursement. Regardless of the rate, the federal government is required to reimburse states for whatever costs they incur in serving the needs of those who meet the eligibility requirement. Therefore Medicaid is an open-ended entitlement program.

A state choosing to offer Medicaid is required by the federal government to provide services to the "categorically needy," those who receive cash assistance either under Title IV-A of the Social Security Act, Aid to Families with Dependent Children (AFDC), or under Title XVI of that Act, Supplemental Security Income (SSI). In addition, a state may choose to extend coverage to the "medically needy," those who are members of a categorically needy group (blind, aged, disabled, or members of families with dependent children having one parent absent, incapacitated, or unemployed) who have income sufficient to cover their basic living expenses but not their medical care.

The federal government mandates that basic medical expenses be covered in any states' Medicaid program, including inpatient and outpatient hospital services, laboratory and x-ray expenses, family planning, rural health clinic services and physician's visits. Participants over age 21 are entitled to skilled nursing care and home health care when a skilled nurse is required; those

under 21 are eligible for Early, Periodic Screening, Diagnosis and Treatment (EPSDT) services.

States may also opt to cover any number of additional costs, including: prescription drugs, eyeglasses, private day-care nursing, intermediate care facilities, inpatient psychiatric care for the aged and those under 21, physical therapy and dental care.

Current Status

Because Medicaid is state-administered, it is difficult for the federal government - and the Reagan Administration - to control its costs. However, during its first year, the Administration attempted to make savings in the program by proposing a "cap" on the rate of growth which would be permitted in each state's expenditures and a system of financial penalties for those states which did not hold down their growth rates sufficiently.

The Congress adopted a modified version of this proposal which has forced states into making drastic program changes to accommodate shrinking budgets. The Omnibus Reconciliation Act of 1981, P.L. 97-35, provided that whatever reimbursement level to which a given state was otherwise entitled would be reduced by 3 percent in FY'82, 4 percent in FY'83, and 4.5 percent in FY'84. States could "earn back" the funds lost as a result of these reductions if they had a successful hospital rate review program, an unemployment rate exceeding 150 percent of the national average, a record of recovering more than 1 percent of federal expenditures through anti-fraud efforts, or a record of program spending below set target levels. This legislation sought to reduce projected Medicaid spending in the FY'82 to FY'85 period by $1 billion. In another bill, states

were granted permission to charge nominal copayments for all but a select number of services, exempting those for children under 18 and those related to pregnancy, family planning and emergencies.

The requirement that states hold growth down when inflation in the health care sector is now 15 percent has alarmed states, and they have responded by cutting services, including coverage for hospital stays, physician sources, and prescription drugs. Of particular concern is the number of families who have lost their AFDC benefits and consequently, their Medicaid eligibility. One informal survey concludes that almost 700,000 children are no longer participating in Medicaid because they have lost their AFDC cash benefits.

Proposed Changes

In accordance with its schedule for holding down Medicaid growth, the Administration expects to save $330 million in projected Medicaid expenditures this year. These savings are to be achieved in several ways:

- mandating that states charge a copayment for physicians' services, hospital stays, and clinic services. The copayment charged would be slightly larger for the medically needy than for the categorically needy.
- extending beyond FY'84 for an indefinite period the reduction in federal payments to states included in the Omnibus Reconciliation Act of 1981; the rate of reduction required for FY'84 would be set at 3 percent rather than 4.5 percent.
- assuming that the number of participants in Medicaid will decrease with the reduction in AFDC-eligible persons.

Analysis

The cost of the Medicaid program per participant in FY'83 to the federal government is 86¢. With inflation in the health

care sector at 15 percent, in order to continue to cover the same number of participants, the per capita cost should be increased to 99¢ per participant. And yet the Administration proposes to increase federal spending from approximately $19 billion to just under $21 billion, allocating 92¢ per individual. With such a large proportion of the Black population dependent on Medicaid for services, Blacks will suffer disproportionately from the effects of this meager funding increase.

Futhermore, the imposition of copayments on both the categorically and the medically needy truly will be a disincentive for persons requiring care to see a doctor. In many cases, the longer a visit is put off, the more serious the illness can become. It is highly desirable that low-income persons, many of whom rely on government assistance, receive early care to prevent the incurring of massive debts for acute or emergency care.

It should also be noted that, while the number of AFDC-eligible Medicaid participants has decreased, there are indications that the number of other Medicaid participants since the start of FY'81 has increased, because much of our unemployed population has gradually become Medicaid eligible. It is reasonable to assume that a great proportion of those needing Medicaid assistance after prolonged unemployment are Black, because the unemployment rate in the Black community is so high.

What this means is that real spending power in the Medicaid program will decrease - because the proposed increase for FY'84 does not cover inflationary increases - at the same time that the number of participants is held even. More than likely, states will

respond by cutting services and eligibility, affecting largely the Black population, since almost 1/2 of all Medicaid recipients are Black.

CHILD NUTRITION PROGRAMS

The current socioeconomic status of Black families is indisputably lower than that of the population as a whole. Because the median annual income of Black families is only $13,267 or 59 percent of the national median, Black children are particularly susceptible to such problems as poor housing, inadequate clothing, and improper diet. The fact that 41 percent of Black families are headed by women, who often have to work outside of the home and are generally employed at lower-paying jobs, serves to make the provision of nutritious food to Black children a difficult task.

It is a well-known fact that the nutritional intake of children is critical for their overall development. Educators and health experts alike agree that children cannot learn as effectively when they are hungry or malnourished. The introduction of nutrition programs into child care centers and schools has made it possible for many Black children, who spend the greater part of the day in one of these settings, to receive nutritious meals. Since such conditions as iron deficiency anemia and hypertension, which are prevalent among Black people, have their roots in childhood diet, it is imperative that child nutrition programs that will help to safeguard the health of our children remain intact.

Background

The solution to the problem of providing proper nutrition for preschool and school-age children, while away from home, has been the federally supported child nutrition programs. The Child Care Food, School Breakfast, and Summer Food Programs are three of the five programs authorized to operate under various sections of the

National School Lunch Act of 1966. The Department of Agriculture administers these programs on a national level; locally, they are administered by state departments of education.

The Child Care Food Program is the only nutrition program for preschool children. While assisting child care facilities in providing meals for children, this program also encourages the entry and maintenance of mothers in the work force.

All licensed nonprofit child care centers, Head Start Programs, and licensed, approved, or registered family day care homes are eligible for a cash subsidy towards the food for the children under their care. At child care centers, the reimbursement rate for each meal is determined by the income of the participating children's families. In contrast, family day care providers receive a flat reimbursement rate for each allowable meal served. The flat rate formula is more economical as it decreases administrative overhead.

The School Breakfast Program is the second largest school food program. In FY'82, 3 million breakfasts were served to children throughout the U.S. The federal government, through the Department of Agriculture, reimburses schools for every meal served. The reimbursement rate is determined by the incomes of participating families. Eligible schools also receive food commodities from the Department of Agriculture. All public and private, nonprofit schools may take advantage of this program.

The impact of the School Breakfast Program is noteworthy. With 40 percent of Black children living in poverty, thousands come to school each day hungry. The nutritious meals provided by this program guarantee that children who would otherwise go hungry are given a chance to eat properly.

The Summer Food Program began in 1968 when Congress recognized the importance of extending the School Breakfast and Lunch Programs into the summer months. Under the auspices of the Summer Food Program, cash subsidies are available to sponsoring schools, child care facilities, and other organizations to assist in the purchase and preparation of nutritious meals.

During the months when the School Breakfast and Lunch Programs are no longer in operation, the Summer Food Program provides a much-needed service to poor children who depend on this program for meals when their parents are not at home or are otherwise unable to provide food to them.

Current Program Status

Black children comprise 16 percent (or 6 million) of the total enrollment of all children in public elementary and secondary schools. In fact, in six states Black children make up one-third to one-half of total enrollment (Mississippi 51.0 percent, South Carolina 42.8 percent, Louisiana 41.5 percent, Georgia 36.5 percent, Alabama 33.1 percent, Maryland 30.6 percent). Approximately 45 percent of children enrolled in nonprofit, federally funded child care centers are Black; of all Black children needing child care, 28 percent are enrolled in child care centers. These statistics attest to the fact that the child nutrition programs have a great impact on Black children, and the recently proposed reductions in these programs will have a tremendous adverse effect on them.

Legislation enacted in 1981 not only reduced benefits in the Child Care Food Program by 30 percent but also decreased the number of meals and snacks for which child care facilities are reimbursed,

reduced snack reimbursement, changed the income eligibility guidelines, and eliminated assistance to purchase food service equipment. The cuts sustained in this program, coupled with changes made in other child care support programs, such as the Title XX block grant and the elimination of the CETA program, have made the operation of child care centers very difficult and many have had to close.

The effectiveness of the Summer Food Program has been diminished over the past few years by the policies of the current administration. First, the 1981 legislation reduced the number of locales that can benefit from this program. Under current legislation, the percentage of poor families residing within a geographic area was increased from 30 to 50 percent of the total population in order for the area to qualify for the program. Second, although this program started out very community-based, legislation was enacted which made it impossible for the more traditional nonprofit community-based organizations to sponsor the program. Currently, only public or nonprofit residential summer camps and units of local, municipal, or state government are eligible.

1984 Budget Proposal

Similar to last year, the primary threat to the child nutrition programs for FY'84 is a general nutrition assistance grant. This year, however, the proposal is even more damaging because rather than including two programs, three programs - School Breakfast, Child Care Food, and Summer Food Programs - would be funded through the block grant.

In addition, during FY'83, it is estimated that the level of expenditure for the three programs will be $761.2 million ($334.8 million for Child Care Food, $327 million for School Breakfast, and

$99.4 million for Summer Food). The general nutrition assistance block grant for FY'84 would be funded at an approximate 30 percent reduction ($535 million) from last year and a 20 percent reduction from the previous year.

To achieve the 30 percent reduction, the USDA recommends the transfer of Head Start Centers' Child Care Food Program funds to Health and Human Services, elimination of children in family day care from the Child Care Food Program, and the reduction in administrative program costs by rerouting the income verification procedures for both schools and child care centers to food stamp offices, among other changes.

Analysis

Block grants are designed to reduce federal spending. This means that a general nutrition assistance block grant will save the federal government money - at the expense of needy Black children. Ten states will no longer qualify for child nutrition funding because these programs are being administered by regional United States Department of Agriculture offices rather than the required state departments of education. If these states do not choose to fund the programs themselves, thousands of children will lose these important services.

Because such a grant would include three different programs and give each state substantial discretion as to how to allocate the funds, it is possible that on top of proposed budget cuts, a state could also allocate one or two programs with disproportionately less money. Thus, one or more of the child nutrition programs could easily become defunct in some states. It is much more

difficult to lobby the 50 state governments individually than the federal government to prevent such inequities.

Another problem associated with block grants is that the amount of money allocated to each state is determined by formulae. Such processes can never take into consideration the myriad of factors that determine the true need of a state, and vital programs will be underfunded.

The 30 percent reduction in the funding level for the Child Care Food, School Breakfast, and Summer Food Programs and the accompanying recommendations have at least four important implications. Decreasing the administrative budget will minimize fiscal monitoring, reporting, planning, and other required federal procedures. This will lower the quality of services, and the children will be the ones to suffer. Excluding family day care homes from the Child Care Food Program will have a disastrous effect on Black children in particular because the majority of Black children in child care are in family day care homes. If income verification for these programs becomes a function of Food Stamp Offices for both schools and child care centers,the problems associated with this will prevent many families from participating. The transfer of Head Start centers' funds from the Child Care Nutrition Program to Health and Human Services will bar the inclusion of additional children in future years because a flat dollar amount, equal to that of FY'83, will be set.

The changes made in FY'82 in the Child Care Food Program - decreased reimbursements, fewer adjustments for inflation, changed eligibility guidelines, and no assistance for the purchase of equipment - have created an undue hardship for both families and

child care centers. The centers will have to raise their fees to make ends meet, and thousands of low-income families will be forced to give up these services. Many women will no longer be able to work to help support their families.

The changes in the Summer Food Program have not only reduced the number of organizations and locales that can benefit from the program, but have also prevented the more community-based organizations from participating. This clearly indicates that the present administration is gradually withdrawing vital programs which have proven their worth.

We cannot allow the continued hacking away at child nutrition programs so basic to the well-being of Black youth. Because good nutrition is essential to the development of children and the development of Black children is vital to the advancement of our communities, child nutrition programs in school and child care centers, year-round, must be an integral part of the function of these institutions.

The Call For Action

The National Black Child Development Institute urges you, as a concerned and responsible person, to utilize the information in this edition of Budget Cuts and Black Children in the effort to prevent vital services to Black children from being reduced or rebuked. The efforts of community organizations as well as concerned citizens can have a tremendous impact on policymaking.

The following are suggestions for making your concerns known:

- Conduct budget information seminars and workshops at your local chapter meetings, and ask the leaders of other local chapters of national organizations, community groups, PTA's, etc. to place you on the agenda to speak at their next meeting.
- Encourage ministers in your local area to discuss the impact of budget cuts on services for Black children. It would be particularly effective and appropriate for your minister to discuss these concerns during National Black Child Development Week, May 15th through 21st.
- Encourage high school American Government, Civic, and Sociology teachers to faciliate classroom discussions on the community's critical areas of concern and the impact of the Administration's proposals on these areas.
- Develop your own state budget cut analysis using this document Budget Cuts and Black Children as a guide.
- Write editorials or a letter to the editor on critical issues of concern to you.
- Schedule television and radio interviews to educate your community on issues that represent your special interest(s).

Persons responsible for particular issues:

National Black Child Development Institute

Carla Curtis - Aid to Families with Dependent Children (AFDC)
Child Welfare Services
Title XX

Jane Erickson - Maternal & Child Health Block Grant
Medicaid
Special Supplemental Food Program for Women, Infants and Children (WIC)/Commodity Supplemental Food Program (CSFP)

Muriel Vaughn - Compensatory Education For Disadvantaged Children
Education of All Handicapped Children Act
Head Start

Children's Foundation

Mary Roberts - Child Nutrition Programs

National Urban League

Carol Gibson - Vocational Education

Additional copies of "Budget Cuts and Black Children" may be purchased from NBCDI for $4.50, which includes postage and handling.

To assist you, NBCDI can provide up-to-date budget information on adoption, foster care, AFDC, Title I, Title XX Day Care, Head Start, Child Welfare Services, Maternal & Child Health Block Grant, Medicaid, WIC/CSFP, Compensatory Education For Disadvantaged Children Act, Child Nutrition Programs, and Vocational Education.

For more information, please write to NBCDI, 1463 Rhode Island Avenue, N.W., Washington, D.C. 20005.